



ANNEX RAILROAD BUILDERS, INC.

New Track, Rehabilitation and Emergency Service

January 17, 1994

RECORDATION NO. **18661** FILED 1425

INTERSTATE COMMERCE COMMISSION
Ms. Mildred Lee
Room 2303
12th and Constitution Avenue, N.W.
Washington, DC 20423

JAN 24 1994 -3 05 PM

UPS NEXT DAY AIR
0171-7483-025
N440-X87

RE: Filing of Security Agreement and Installment Note

Dear Ms. Lee:

Enclosed please find an original and one (1) notarized copy of our Security Agreement with Indiana Hi-Rail Corporation dated the 13th day of April, 1993.

I have enclosed our check No. 65356 in the amount of \$18.00 to cover the fee for filing. Thank you for your assistance concerning this matter. Should you have any questions, please contact our office at (317) 547-2806.

Very Truly Yours,

ANNEX RAILROAD BUILDERS, INC.

Mark A. Brown

Mark A. Brown

MAB/wp

enclosures

RECEIVED
OFFICE OF THE
SECRETARY
JAN 24 2 57 PM '94
LICENSING BRANCH

2400 N. Ritter Avenue Indianapolis, IN 46218
Phone: (317) 547-2806 FAX: (317) 546-4324

Interstate Commerce Commission
Washington, D.C. 20423

1/25/94

OFFICE OF THE SECRETARY

Mark A. Brown

Annex Railroad Builders, Inc

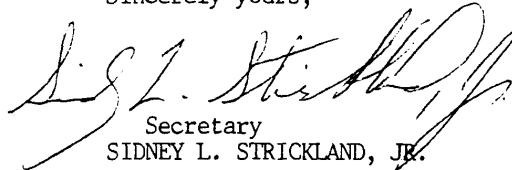
2400 N. Ritter Avenue

Indianapolis IN. 46218

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions
of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303,
on 1/24/94 at 3:05pm, and assigned
recording number(s). 18061

Sincerely yours,


Secretary
SIDNEY L. STRICKLAND, JR.

Enclosure(s)

INSTALLMENT PROMISORY NOTE

\$75,867.51

Final Installment Due Date: 30 September 1994

For value received, Indiana Hi-Rail Corporation promises to pay to the order of Annex Railroad Builders, Inc. the sum of seventy-five thousand, eight hundred sixty-seven and 51/100 dollars (\$75,867.51), at 2400 North Ritter Avenue, Indianapolis, Indiana or at such other place as the holder hereof may direct in writing, with interest upon the unpaid principal balance at the rate of twelve percent (12%) per annum from the date of this instrument until maturity, and twelve percent (12%) per annum after maturity until paid, with attorneys' fees and costs of collection and without relief from valuation and appraisement laws, payment of principal and interest to be made as follows: One installment in the amount of five thousand, eighty-eight and 70/100 dollars (\$5,088.70), followed by seventeen monthly installments each in the amount of three thousand five hundred seventy-one and 35/100 dollars (\$3,571.35), payable on the final day of each month beginning with first said payment due and payable on 30 April 1993.

This note may be prepaid in full or in part on any payment date.

JAN 24 1994 -3 05 PM

INTERSTATE COMMISSION OF COMMISSIONERS

SECURITY AGREEMENT

The undersigned ("Debtor") grants to Annex Railroad Builders, Inc. ("Secured Party") a security interest in the following described property:

1. Alco C420, Unit No. IHRC 315, Diesel Locomotive
2. RSD-15, Unit No. IHRC 442, Diesel Locomotive
3. RSD-15, Unit No. IHRC 443, Diesel Locomotive

(all called the "Collateral"), and in the proceeds thereof to secure the payment of a debt in the total principal amount of \$75,867.51 (called the "Obligation"), which Debtor promises to pay with interests provided in an Installment Promissory Note evidencing the Obligation.

I. Debtor's Representations and Warranties. Debtor represents warrants and covenants that:

- A. Address. Its principal place of business is:
4301 N. State Road 1, Connersville, Indiana 47331.
- B. Location and Use of Collateral. The Collateral will be used in railroad operations on Debtor's rail lines which are located in the States of Indiana, Illinois, Kentucky, and Ohio.
- C. Debtor's Title. Debtor is the owner of the Collateral free from any liens, security interests or encumbrances other than a perfected first security interest to INB National Bank (Financing Statement File No. 125342 -- May 9, 1986) and the subordinate security interest herein granted to Secured Party.

- D. Transfer of Collateral. Other than the sale of inventory in the ordinary course of business, Debtor shall not sell, assign, transfer, or otherwise dispose of the Collateral or any interest therein without giving Secured Party ten (10) days' prior written notice.
- E. Preservation of Perfected Security Interest. Debtor shall immediately notify Secured Party in writing of any change of address from that shown in this Agreement. Debtor will do such acts as Secured Party reasonably may request to establish and maintain in Secured Party a valid security interest in the Collateral. Debtor shall execute and deliver to Secured Party such financing and continuation statements, and amendments thereof or supplements thereto, and such of other documents as Secured Party may from time to time require to perfect, preserve and protect the security interest granted herein.
- F. Condition of Collateral. Debtor shall keep the Collateral in good repair, shall not permit the Collateral or any part thereof to be wasted or destroyed, and shall not use the Collateral or permit its use in violation of any applicable law or regulation. Debtor shall furnish to Secured Party such reports and other information concerning the Collateral as Secured Party

reasonably may request from time to time. Secured Party may examine and inspect the Collateral at any reasonable time or times wherever located.

- G. Taxes and Assessments. Debtor shall pay promptly as they become due and payable, all taxes and assessments imposed upon the Collateral or for its use or operation or upon this Agreement.

II. Events of Default. The occurrence of any of the following shall constitute a default under this Agreement.

- A. Nonpayment or nonperformance of the Obligation of Debtor or of any covenant under this Agreement.
- B. Any warranty, representation or statement made or furnished to Secured Party by, or on behalf of, Debtor in connection with this Agreement or to induce Secured Party to make any loan, advancement or other extension of credit to Debtor which is untrue or misleading in any material respect as of the date when made or furnished.
- C. Any substantial uninsured loss, theft, damage or destruction of the Collateral.
- D. The death, dissolution or termination of existence of Debtor (except a technical dissolution which is cured within 30 days); or the insolvency or business failure of Debtor; or the admission by Debtor in writing of an inability to pay Debtor's debts as they become due; or the appointment of a receiver or trustee for any part

of the property of Debtor; or an assignment for the benefit of Debtor's creditors; or the commencement of any proceeding under any insolvency laws by or against Debtor or against any guarantor or surety for Debtor or any part of the Obligation.

- III. Remedies Upon Default. Upon any default which is not cured within ten (10) days after receipt of written notice of said default, Secured Party may declare the Obligation of Debtor secured hereby immediately to be due and payable, and shall have all the remedies of a secured party available under Indiana law.
- IV. Termination. This Agreement and the security interest in the Collateral created hereby shall terminate when the Obligation has been fully satisfied and paid in full.
- V. Applicable Law. Should applicable law confer any rights or impose any duties inconsistent with, or in addition to, any of the provisions of this Agreement, the affected provisions of this Agreement shall be considered amended to conform to such law, but all other provisions hereof shall remain in full force and effect without modification. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Indiana.
- VI. Notices. Any notice required to be given by either party to the other under the provisions of this Agreement or under applicable law shall be sufficient if given either in person or by certified mail, return

receipt requested, addressed to the addresses indicated in this paragraph or to such other address as either party may have last specified by written notice to the other. These addresses are:

As TO DEBTOR, the address mentioned in Paragraph IA.

AS TO SECURED PARTY, the following:

2400 North Ritter Avenue
Indianapolis, Indiana 46219

DEBTOR ACKNOWLEDGES RECEIPT OF A TRUE COPY OF THIS INSTRUMENT.

Executed and delivered at Connersville Indiana, this 13th day of April, 1993.

INDIANA HI-RAIL CORPORATION

BY: James R. Owens
James R. Owens
Treasurer

Witness: Melissa Lammy

The undersigned hereby certifies that this copy is a true and exact copy of the original "Installment Promisory Note" and the original "Security Agreement" dated the 13th day of April, 1993.

Mark A. Brown
Mark A. Brown, Corporate Secretary

1-17-94
Date

STATE OF INDIANA
COUNTY OF MARION SS:

Subscribed and Sworn before me this 17th day of January, 1994.

Shirley Whitaker
Notary Public

June 24 1995
My Commission Expires

In the event of default in payment of any of said installments when due, which is not cured within ten (10) days after receipt of written notice of said default, the entire unpaid balance of principle and accrued interest shall become due and payable immediately without further notice, at the election of the holder hereof.

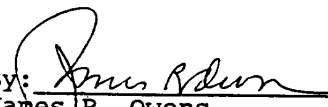
All notices hereunder shall be in writing and may be given by personal delivery or by mailing by certified mail, return receipt requested, addressed as follows: Indiana Hi-Rail Corporation, 4301 North State Road 1, Connersville, Indiana 47331.

This Installment Promissory Note shall be governed by, and construed in accordance with, the laws of the State of Indiana.

This note, any extensions or renewals hereof, is secured by a Security Agreement dated 13 April 1992, and executed in favor of and delivered to the payee.

Signed and delivered at Connersville, Fayette County, IN, this 13th day of April, 1993.

Indiana Hi-Rail Corporation

By: 
James R. Owens
Treasurer

Witness: 